

## **DRAFT MEETING SUMMARY (v.1)**

*DRAFT - NOT APPROVED BY COMMITTEE*

### **HANFORD ADVISORY BOARD BUDGETS AND CONTRACTS COMMITTEE August 8, 2001 Richland, WA**

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*This is only a summary of issues and actions in this meeting. It may not represent the fullness of ideas discussed or opinions given, and should not be used as a substitute for actual public involvement or public comment on any particular topic unless specifically identified as such.*

#### **Welcome and Introductions**

Harold Heacock, Chair of the Budgets and Contracts Committee, opened the meeting and read through the agenda. Introductions were made and the meeting began.

#### **Fluor Hanford Baseline**

Issue Manager Denny Newland introduced the issue by explaining that the committee is interested in the Fluor Hanford baseline with respect to TPA milestones and the technical questions to be answered.

Rich Holten, U.S. Department of Energy – Richland Operations Office (DOE-RL), explained that Fluor would turn in its official revised baseline by September 30, 2001. The baseline should include more integration between sub-projects, such as between the Waste Management and Spent Nuclear Fuel programs. Fluor inherited from Westinghouse several different sub-projects, contractors, and project management styles. Bob Rosselli, DOE-RL, added that receiving the baseline integration by September 30<sup>th</sup> should be useful for starting the next year's budget cycle. Mr. Holten explained that DOE-RL will do a Baseline Change Request (BCR) if the final FY2002 budget is too low, but indicated if the Senate budget is approved, DOE-RL should be in good shape.

- When will the baseline be implemented? After it is submitted on September 30<sup>th</sup>, DOE-RL will need 2-3 weeks to review it and adjust the contract. There will not be independent validations. Fluor shows stretch goals as part of the contract.
- What are Fluor's incentives to integrate the baseline? To submit an integrated baseline by September 30<sup>th</sup> is a Performance Incentive (PI) for this year. Internally, DOE-RL and Fluor had wanted the baseline on June 30<sup>th</sup>, but that was just an internal target, not a PI.
- Will Bechtel be part of this baseline? Bechtel activities are part of the DOE-RL baseline; DOE-RL already has Bechtel's data. DOE-RL is the integrator for the entire site.
- Will there be separate baselines for the Central Plateau and River Corridor? Yes, but they all come together in DOE-RL. For example, the Hanford Advisory Board's (HAB) budget is not part of one or the other, so DOE-RL is the integrator.
- Is infrastructure still within the Fluor contract? Yes, infrastructure is in a separate Project Breakdown Summary (PBS) and thus in a separate accounting structure.

### ***Dick Wilde, Fluor Hanford***

Dick Wilde, Fluor Hanford, displayed a poster-size copy of the Remote Handled Transuranic (RH TRU) Waste master schedule. All the work being undertaken on the Central Plateau is planned on about fifteen similar diagrams. Together, these make up a fully integrated baseline and form the foundation for baseline management. On each sheet, the following features are listed: activities, key assumptions, commitments, and technical, Defense Board, and TPA milestones. In addition, activities outside of the Fluor baseline are portrayed on the schedule if they might impact Fluor's baseline. Mr. Wilde emphasized that "fully integrated" means integrated across the whole DOE complex, DOE – Office of River Protection (DOE-ORP), Bechtel, and other contractors. He also commented that the Stretch work is included in the baseline. If the total budget allocation to Fluor must be altered, Fluor is able to look back at these master schedules and thus answer "what if" scenarios, including fluctuating power rates.

Dick Wilde also displayed a roll up schedule for the entire Central Plateau schedule. He offered to print copies for any committee members who were wanted one.

- How are you integrating within Fluor Hanford amongst the competing projects? Between DOE-RL and DOE-ORP there are about 40 interface-controlled documents (ICD). Projects with ICDs will be listed on these charts.
- How are interfaces within Fluor Hanford handled? Those are also all in the schedules.
- Since this whole baseline schedule is predicated on an assumed level of funding, how do you adjust and make decisions on the priorities? Rich Holten, DOE-RL, answered that the first step is that DOE-RL must decide how to allocate funding among the contractors. Then DOE-RL would discuss with Fluor how the performance incentives would be affected. Dick Wilde added that this year the President's budget was lower than expected so DOE-RL told Fluor that K Basins and SNF were important.

- Where is training included? Training is under base operations.
- Does a technology insertion point mean an improved technology must be available at that point in time? Yes. DOE-RL tells Terry Walton where new technology is needed and he works to develop it. He reports to the project director so he is like a member of the project staff, and he makes a monthly report on progress. Bob Rosselli elaborated that the DOE technology program has broken itself into five or six technology divisions called Focus Areas. The Focus Areas undertake the development and demonstration of new technologies to fill ongoing cleanup needs among all the DOE sites. The committee noted that there would be an update from the Site Technology Coordination Group at a future Hanford Advisory Board (HAB) meeting.
- Do the workers get to test the technology before it is used in the field? Bob Rosselli commented that the C Reactor was a positive example of a large-scale demonstration in which the workers selected the technology and thus reduced the cost and schedule of the project. He noted that it is a common problem to run out of money when it is time for the demonstration, but that this contract structure factors that into the planning.
- A committee member commented that the regulatory issues should be integrated into the PBS, noting that the HAB has been concerned whether the baselines show baseline criteria as DOE-RL and the contractor desire rather than how it currently exists. Dick Wilde commented that the deadlines in the baseline are the TPA milestones and any change requires a baseline change request (BCR). He noted that Fluor's schedule aligns with the TPA except for the RH TRU drums, for which they have a performance incentive but will miss the TPA milestone.
- The groundwater issue manager commented that the last baseline for groundwater remediation was not included in the contract, a significant disconnect with the TPA. Rich Holten answered that DOE-RL would like baselines aligned with the TPA but at times that does not happen, in which case DOE-RL must make alternate proposals to the regulators. He noted that DOE-RL requests full funding to meet its TPA obligations.

### ***Regulator Response***

#### **Environmental Protection Agency (EPA)**

Doug Sherwood, EPA, commented that he did not see any budget allocated for groundwater and that DOE-RL will also miss the major TPA milestone of cleaning soil as noted in the 5-year review. He accused DOE-RL of incentivizing work instead of remediation. He said DOE has made a conscious decision to miss milestones that already exist. None of the M20 milestones will be met and there have been no formal attempts to negotiate with EPA, due to the DOE moratorium on negotiating new commitments.

#### **Washington State Department of Ecology (Ecology)**

Fred Jamison, Ecology, offered some additional context. Ecology thinks the detailed baseline schedules are helpful for planning, because the charts address a strategy that may be viable. Ecology requested the costs of each project be displayed, and Fluor has done so. Ecology thinks these schedules are addressing risk reduction, waste volume reduction, cost reduction, and a long-term schedule. There are elements that support

cleanup and aim to meet TPA requirements and also change and accelerate cleanup. Ecology has not completed its review, but these schedules are helpful in providing the desired level of detail on work activity and dollar amounts. Ecology still has concerns about compliance, scheduling, continued availability of sufficient funding in outyears, and the safety of the environment and human health. Among those topics, Ecology has not yet made a judgment.

The committee asked for DOE-RL to address the validation of the baseline per DOE requirements. Rich Holten responded to Doug Sherwood's point that DOE-RL does not plan to meet its 5-year review milestone and a few others and that DOE-RL is unable to negotiate. However, he feels if the Senate budget passes, DOE-RL should be able to do the work for the 5-year review. He added that DOE-RL has been asked not to renegotiate milestones until the budget has been finalized.

### ***Committee discussion***

- The committee asked about the validation of the baseline. Rich Holten explained that there would not be a special validation, but that segments of the baseline are examined on a rotating 5-year basis. DOE-RL will review the baseline for about 3 weeks and consider the connectivity of top to bottom. Dick Wilde added that the estimates Fluor uses have been independently validated for three or four of the last five years. Fluor also conducts internal and external reviews delivering the product to DOE-RL in September.
- Do you have a master schedule for infrastructure and indirect costs? Dick Wilde answered that the data on the baseline schedules for the Environmental Restoration program was taken directly from Bechtel in June.
- How do you handle electricity rates? How do you handle indirects if they are a major portion of these costs? Larry Hafer, Fluor Hanford, explained that Fluor is moving non-overhead activities into direct funded accounts. Site services and training are now direct costs. Overheads include the departments for human resources, finances, and legal issues. Those activities are not included on the P3 schedules.
- Does DOE-RL have funding to meet TPA requirements? Rich Holten answered affirmatively for this year, but could not predict funding for future years.

The committee identified two issues of concern: 1) DOE's moratorium on negotiating TPA milestones and 2) whether DOE-RL is in non-compliance if it fails to do the work to meet downstream milestone. There was a brief discussion about whether the constraint on negotiating is different than planning to meet or not working toward a milestone. Doug Sherwood, EPA, commented that for tank waste commitments (tank program and construction of the vitrification plant), progress towards milestones could be considered enforceable. For all other work, the TPA milestone must actually be missed before enforcement can occur. He stated that DOE-RL would miss existing milestones as well as future ones.

### **June 26th TPA Constraints Meeting**

Bob Rosselli commented on the workshop held on June 26<sup>th</sup> about constraints relative to making progress on cleanup. Battelle interviewed people, and during the workshop participants narrowed constraints to four crucial areas. Doug Sherwood added that the summary of that meeting and the charter of the group would be included in the next HAB packet, as the workshop would be a topic for the next HAB meeting.

The workshop was organized around four constraints: 1) agree on a vision, 2) examine where the TPA and baselines from contracts are or are not aligned, 3) determine whether the regulatory and management requirements are excessive, and 4) determine how to achieve stable funding to support long-term Hanford cleanup. Doug Sherwood is the leader for the alignment effort (group number 2). Todd Martin, HAB Chair, commented that he, Susan Leckband, and Doug Huston attended the workshop on behalf of the HAB. The expectation is that at the September HAB meeting, the TPA agencies will identify the four constraints and which specific questions the different workgroups are addressing.

The committee expressed concern about the whole budget process for this past year, specifically about the difficulty in receiving information from DOE-RL. There was a brief discussion on whether issuing new advice or reissuing old voice was appropriate, but it was agreed that it is too early to advise the new Assistant Secretary of Energy. The committee will reconsider this stance in a few months.

The committee continued its exchange with DOE-RL representatives regarding funding. Rich Holten explained that \$804 million is necessary to fully meet TPA requirements, but all the congressional information suggests DOE-RL will receive around \$764 million. The TPA requires that DOE-RL request full funding, but he pointed out that it would not be wise to plan for an amount it won't receive. DOE-RL has said it would plan for 2012; the difference in funding is for remediation in the 200 Area. The committee tabled the discussion, since there was disagreement on how DOE-RL should plan for shortfalls in funding.

Doug Sherwood noted that the goal by the September HAB meeting was to assess the status of all major program elements across the site and objectively compare how they align with the TPA, the contracts, and Hanford 2012. Once this objective view is compiled, the Tri-Party agencies can ask the HAB for feedback and decide actions and where there is flexibility for change. He expressed the opinion that the quality of the cleanup contracts deserves as much scrutiny as the TPA.

### **Fluor Hanford Project Operations Center**

Issue Manager Keith Smith introduced the topic of the Fluor Hanford Project Operations Center (POC) by commenting that the committee was concerned the facility was just adding an extraneous management layer. DOE-RL representatives explained that DOE-RL had requested the POC as a way for Fluor to bring in more of its commercial expertise. Larry Olguin, Fluor Hanford, explained that the POC is a Fluor commercial practice prevalent in all of Fluor's home offices. Its organization includes project managers and multiple types of engineers. All the engineers use same procedures, which

makes it easy to begin projects because training to a new set of procedures is unnecessary.

When Fluor arrived at Hanford five years ago, it had different companies running different activities, each using unique procedures. Two years ago, Fluor renamed itself Fluor Hanford and had to do a lot of retraining, which was inefficient. DOE-RL asked Fluor to improve its project management and controls, so Fluor brought in the POC to facilitate employee training, career development, and handle employee mobility. Fluor Hanford's POC cannot afford a bench, at which employees rewrite procedures and work on proposals when not needed on projects. However, the POC does have some lead engineers, such as a lead mechanical engineer. When staffing projects, first Fluor Hanford looks internally. In addition, the POC is responsible for standardizing all procedures.

### ***Committee Discussion***

- A committee member commented that at the worker level, there has been talk about people not managing well; he is glad to hear something being done about it.
- There was a question about operations and maintenance. Larry Olguin explained that Fluor Hanford owns all the operations and maintenance procedures it uses on site. Two people run the center for excellence for operations and maintenance, which serves as a forum for people to share lessons learned and understand new procedures.
- The committee commented that DOE-RL asking Fluor Hanford to bring in a POC raises the question of whether that is the core of what Richland thought was the problem. Larry answered that Fluor Hanford is also looking at centralizing operations and maintenance, although the POC is more focused on technical needs and not operations and maintenance.
- A committee member questioned whether facilities such as the POC are common among engineering firms. Many people affirmed that.
- Is there any attempt by the POC to interface with DOE-ORP engineering? Are there any engineering interfaces? No.
- What is relationship with POC to Fluor Global Services? Larry Olguin answered that the field can request corporate help if necessary.
- What was the cost to set this up and how many people were brought in? \$4 million was budgeted last year, and it is now \$5.8 million. Last year was just project support. Some people are part of the POC functional organization but are also assigned to and charged to specific projects. Those extra people were already charging to those projects. DOE-RL asked Fluor Hanford to increase the number of corporate people, so it doubled from 46 and brought in very few managers. Fluor has issued 15 fixed price contracts since January, which is a big cost saving.
- So Fluor brought in 40 new people to this site? Larry Olguin responded that Fluor did not spend more money.
- A committee member commented that he hoped Fluor did not keep incompetent managers and just bring in another management layer. Larry Olguin said there are annual performance appraisals, and he gets to review and approve performance appraisals for anyone who works in the POC.

## **River Corridor Contract**

Bob Rosselli explained that DOE-RL asked the U.S. Army Corps of Engineers (Corps) to do an independent cost estimate on work activities. DOE-RL is still working on the RFP, work scope and approaches. Although he did not know when the contract would be made public, DOE-RL will first issue a draft RFP for comments. He pointed out that DOE-RL had responded in May to the HAB's advice issued in April regarding the River Corridor Contract.

- A committee member asked if DOE-RL had been embargoed on letting the contract. Bob Rosselli responded that DOE-RL would like to make sure DOE-HQ supports the approach to the contract before issuing the RFP.
- How much does DOE pay the Corps for an independent estimate? About \$500,000.

Rich Holten distributed a handout of his presentation and explained that DOE-RL wants to provide enough information that potential bidders would be able to compete against the two incumbents – Bechtel and Fluor's activities in the 300 Area. This contract will combine work in the 100 and 300 Areas. The baseline estimate was based on completion of Hanford 2012, using accelerated information from Fluor and Bechtel.

Kim Callen, U.S. Army Corps of Engineers distributed a handout summarizing his presentation on the Independent Cost Estimate. The Corps developed contingencies for risk analysis based on the 50% or 80% chance that cost would be below a certain number. The software used for that analysis is called Crystal Ball. It calculated 32-34% contingency for the 50% chance and 25% contingency for the 80% chance.

In summary of the cost estimate, the Corps estimated \$2.6 million, but DOE-RL had estimated \$2.2 million. This difference is attributed to factors DOE-RL had not considered but likely would have (for example, the inclusion of pipelines) and that the Corp used higher contingency values.

- There was a question from the committee about calculating contingencies on top of contingencies. Kim Callen explained that Bechtel was running a 15% contingency but only up to a 50% confidence level. Rich Holten added that the contract includes more difficult work, including the burial grounds and buildings, so it might be necessary to build more contingency into the contract. If the contract is in the form of cost plus contingency, DOE-RL holds the contingency; under a fixed price contract, the bidders hold some of the contingency. The type of contract has not been decided.
- A committee member commented that the bid seemed low. Rich Holten explained that Bechtel is running at \$150 million a year, which would have taken it to 2016.
- A committee member commented that the 300 and 100 Areas should be separated because they are vastly different.
- In terms of a cost estimate, how do you evaluate and put a cost relative to new technologies? Rich Holten explained that the costs of new technologies are not included. The estimate uses existing technologies, but developing faster and cheaper technologies is an incentive for bidders.

- The committee asked about assumptions of labor rates, which are a major driver of these cost estimates. Kim Callen explained that labor hours were divided into manual and non-manual to develop a generic rate for the contractor. A committee member verified that the labor rates used are close to reality.
- What assumptions for the disposal of wastes were included? Kim Callan answered that the Corps based its estimate on practices used today. Mike Goldstein, EPA, added that the estimate used a 168% increase, which accounts for finding unforeseen wastes. He commented that DOE, EPA, and Ecology recently signed a Record of Decision (ROD) that did not include 168% increase; he questioned what new information justified 168%.
- A committee member commented that for the 300 Area, DOE-RL used an accelerated closure plan and looked at rates, but did not examine the actual cost of D&D, remediation, or the physical removal of similar nuclear facilities elsewhere. Kim responded that the Corps reviewed the estimates from other sites, but came up with its own estimate. He acknowledged that there are unknowns.
- How many square miles will the River Corridor contract clean up? About 215 square miles.

Next the committee revisited the HAB April 6<sup>th</sup> advice to DOE on the River Corridor contract and DOE-RL's May 16<sup>th</sup> response to the advice. Bob Rosselli commented that the HAB advised DOE-RL not to have target endpoints in the contract that differ from regulatory contracts. He said if a closure contract is decided upon, it would need to have well-characterized end points. Rich Holten added that incentives could be used even when there are unknowns. Bob Rosselli reiterated that DOE-RL will issue a draft RFP for the public to comment on; the RFP will be posted on the web; and DOE-RL will conduct workshops. DOE-RL does not have another option with the existing contractor (Bechtel), although nothing precludes Bechtel from winning the new contract.

### **DOE Budget Development Process**

Bob Rosselli and Rich Holten commented that DOE-RL would like to change how it interacts with the public in the budget process. He distributed a handout titled "Baseline Driven Budget Process," which outlines DOE-RL's suggestions on how to improve the process. Rich Holten commented that DOE-RL prefers to follow a long-term budget, instead of go through the process year after year.

The baseline and TPA should be aligned, but there will be times when they are not aligned. DOE-RL plans to follow 2012 as a baseline and had planned to negotiate with the regulators during spring of this year, but that plan failed when the President's budget was revealed -- \$585 million projected over the next five years would have meant missing all cleanup commitments. Thus, DOE-RL postponed negotiations and now proposes to make changes only through the baseline change control process.

To avoid the grueling, yearly summer work planning process, DOE-RL would prefer to look at a draft change and not completely rework the baseline. Stable funding would help achieve this.



Currently, the budget process begins when DOE-RL receives guidance from DOE-HQ, which is embargoed information. DOE-RL then gives guidance to its contractors in December and presents budget cases in March/April at public meetings. For each budget case, DOE-RL presents a life cycle cost, work scope statements, schedule, impact statements, and impact to PBS. DOE-RL then submits its budget on May 15<sup>th</sup>, looks at the draft change request over the summer, and then makes a final baseline change request package after the final appropriation (which will likely be in October this year).

There are several opportunities for the HAB to provide advice: by December if it would like to see emphasis in certain areas (“scenarios”) and again in the first week of April. Rich Holten noted that the spring budget meetings serve various purposes, including an annual DOE meeting with the public.

### ***Committee discussion***

- Does this proposed process provide the capability to insert budget alternatives? Yes, managing by a baseline allows an examination of a few “what if” scenarios. DOE-RL must be careful because it will not learn its target number until January 25<sup>th</sup>, but there would still be time to run cases.
- Will DOE-RL still have to convey its cleanup priorities to DOE-HQ through an Integrated Priority List (IPL)? No, now it is conveyed by Project Baseline Summary (PBS).
- The committee requested DOE-RL consider clear ways of conveying the budget priorities to the public and HAB, since the poster-size papers illustrating the baseline are not easily mailed.

The committee discussed the optimal time to produce advice. Most members agreed that it did not seem practical to run advice through the regular Board meetings, but a working group could follow the budget scenarios closely. The committee considered giving DOE-RL input about relative priorities in December.

Rich Holten emphasized that DOE-RL always submits a budget scenario that would fully fund TPA commitments. He noted that DOE-RL might have to change 2012. Over the next few months it will be reexamining performance incentives. Bob Rosselli noted that the baseline tool approach would be a better tool for everybody.

HAB Chair Todd Martin commented that the plan seemed reasonable. He questioned whether formal advice is necessary at some point; there may be a creative way for the committee and the HAB to provide input. The committee could request that the HAB approve a new concept for providing input into the budget development process, but exact words through advice might not be necessary. The committee could present a few ideas to the HAB and then after consensus on the approach, look at a few scenarios. He emphasized the importance of HAB consensus on what whatever the committee may ask DOE-RL to do. The committee decided to float the idea at its joint meeting with the Tank Waste Committee the following day.

## ***Regulatory perspectives***

### **Ecology**

Max Power, Ecology, voiced Ecology's support in seeing this baseline process evolve, since the annual budget process has not been very helpful. Ecology does not agree with everything in the Fluor baseline work, but is glad to see more clearly where the interrelated problems are. He noted that the HAB is in a better place to say something about priorities if you can talk about scenarios.

### **EPA**

Mike Goldstein, EPA, echoed Ecology's comments. EPA would like to see an emphasis on aligning baselines and the TPA, and for it to be clear how the regulators play a role in any proposed budget development process.

The committee discussed the disconnects between the TPA and baselines. Some members felt the misalignment between TPA and the baseline will continue to be a point of paralysis for cleanup. The HAB may be able to help design scenarios if TPA alignment negotiations occur at the same time as budget scenarios. Committee members Denny Newland, Gerry Pollet, and Maynard Plahuta volunteered to serve as issue managers for the new DOE budget process. They will develop a draft proposal then discuss it during the next committee call at 10:30 am on Tuesday August 21<sup>st</sup>.

### **Assistant Secretary Jessie Roberson Visiting Hanford**

Harold Heacock announced that Jessie Roberson, the new Assistant Secretary for Environmental Management of DOE is coming to Hanford. The HAB leadership group has the opportunity to have a 45-minute breakfast meeting with her. The leadership group will meet in advance to develop a script. He asked committee members to think about topics they would like addressed at that meeting and forward them to the facilitation team. The committee briefly discussed its concerns. The foremost concern was getting sufficient funding to meet TPA requirements. Other topics were that the HAB offer its assistance, request that the top-to-bottom review focus on meeting or beating compliance, and possibly presenting a list of about ten principles that the HAB had previously presented to the previous Assistant Secretary of EM. The committee also considered that Ms. Roberson was formerly the site manager at Rocky Flats, and then served on the Defense Nuclear Facilities Safety Board, so she is likely aware of some of the frictions between DOE-HQ and the sites.

### **Allied Technology Group (ATG)**

Gerry Pollet provided an update on the ATG issue. The River and Plateau Committee will be the lead committee and will look at the scheduling status and stay updated on new information about ATG accepting waste from Idaho in October. At the morning's RAP meeting, Ecology had distributed a letter it had just sent to DOE about proposed waste shipments of Idaho waste. The committee discussed Poly Chlorinated Biphenyl (PCB)-contaminated waste at Hanford and the issue of prepayment, which DOE-RL had specified was an exception to its normal procedures. He noted that pre-payment is an

issue relating to the BCC committee. One issue to consider is that since ATG is not allowed to store waste onsite, if it has a certain treatment pace and is receiving waste from other customers, then Hanford TPA milestones may be bumped in favor of other customers paying more. Gerry reported that another relevant issue gleaned from the tour of ATG was that the vice president commented that DOE-ORP would have secondary waste streams that ATG may be able to build facilities to treat. However, the vice president did not have details about how ATG would interact with DOE-ORP. Another committee member who had attended the tour reported that the vice president has talked with Harry Boston and Keith Klein. Gerry summarized that this issue will be in a monitoring stage until the RAP committee receives additional information in October.

### **Work Planning and Wrap Up**

The committee walked back through the meeting's agenda to determine for each item whether advice was necessary, the HAB needed to be informed, and whether the issue managers should pursue the issue.

Since the final Fluor Hanford baseline will not be submitted until September 30<sup>th</sup>, the committee decided it could not do much. It considered issuing advice that managing to a baseline is good, but had already done so in previous advice.

A committee member commented that the HAB issued advice that requested DOE-RL to fund the groundwater five-year review work and match the baseline for groundwater. He suggested the HAB formally urge DOE-RL to follow that advice and requested that any correspondence in which DOE says it will not meet milestones be sent to the committee. This led to a brief discussion of correspondence. Ruth Siguenza explained that there are generally four types of letters relating to TPA milestones that the HAB receives copies of: 1) letters of 180 days notice that a milestone is in jeopardy, 2) letters announcing a milestone was missed, 3) DOE requests to discuss milestones before they are missed or announcements of dispute, and 4) letters recording that a milestone has been met. Ruth reads all the correspondence, sends letters clearly of interest to committee chairs/vice chairs and issue managers, and transmits a complete list of all correspondence to all HAB leadership who are responsible for review the list and requesting correspondence of interest. A complete correspondence list is also distributed to all HAB members through the packet. The committee decided it should be more proactive about requesting which letters get distributed to committee.

The committee discussed the upcoming TPA agenda item at the September HAB meeting. There was a suggestion to appoint a TPA issue manager to develop a list of TPA disconnects, which is a recurring theme across all the committees. Ken Bracken does the April "revisit" of TPA, but he doesn't track the status across all committees. The committee agreed that the TPA issue cuts across all committees, but that it is difficult for one person to track that much.

The committee discussed which members would give issue manager updates at the September HAB meeting. Gerry Pollet will provide an update on the River Corridor

contract. Maynard Plahuta will update the budget advice. Keith Smith will describe the new information on the Fluor Project Operations Center. As a separate item, Denny Newland will describe the proposed Budget Development Process, which he, Maynard, and Gerry will begin to work on.

### **Handouts**

- Budgets and Contracts Committee Agenda, August 8, 2001
- HAB Consensus Advice #115, April 6, 2001
- DOE-RL Response to HAB Advice #115, May 16, 2001
- HAB Consensus Advice #120, June 8, 2001
- DOE-RL Response to HAB Advice #120, July 3, 2001
- Baseline-Driven Budget Process, Presentation handout by Rich Holten, August 8, 2001
- River Corridor Contract Independent Baseline Cost Estimate Briefing, August 8, 2001
- Larry Olguin's Briefing to Hanford Advisory Board re: FH Project Operations Center (POC), August 8, 2001

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### **Attendees**

#### **HAB Members and Alternates**

Jim Cochran	Jim Curdy	Harold Heacock
Susan Leckband	Todd Martin	Denny Newland
Maynard Plahuta	Gerry Pollet	Gordon Rogers
Keith Smith		

#### **Others**

Rich Holten, DOE-RL	Fred Jamison, Ecology	Nancy Myers, Bechtel
Bob Rosselli, DOE-RL	Doug Sherwood, EPA	Kim Ballinger, Critique
Steve Wiegman, DOE-ORP		Christina Richmond, EnviroIssues
		Ruth Siguenza, EnviroIssues
		Larry Hafer, FH
		Larry Olguin, FH
		Dick Wilde, FH